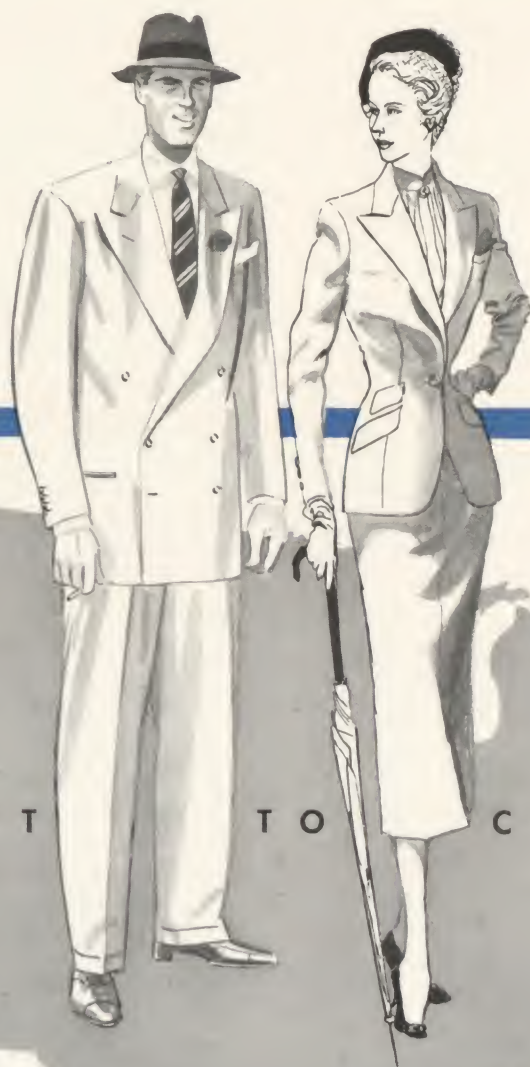


MORE MEN AND WOMEN WEAR BOND CLOTHES THAN ANY OTHER CLOTHES IN AMERICA

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CORPORATION FILE



COAST TO COAST

annual report

YEAR ENDED DECEMBER 31, 1952

BOND STORES, INCORPORATED



BOND STYLE MANOR . . . The nation's largest and most modern tailoring plant in Rochester, N. Y., known for its superior quality clothing. At Style Manor, thousands of Rochester's most skilled craftsmen apply their deft fingers to the tailoring of Bond Clothes.



BOND FIFTH AVENUE on the world-famous fashion street—six spacious floors devoted to apparel for the entire family. The Bond executive and buying offices occupy the top three floors and penthouse. (Left)

BOND STATE STREET, on the Chicago thoroughfare which enjoys the respect of all American business people. This Bond store is an outstanding six-story modern apparel center located in the heart of the street of retailing giants. (Below left)

BOND TIMES SQUARE. This wholly-owned Bond building in the heart of Times Square houses a tremendous clothing store topped by the largest spectacular sign in the world. This Bond Showplace serves customers from all over the United States and almost every part of the globe. (Below)



Bond showplaces are located on the finest shopping avenues in America!

OFFICERS

BARNEY RUBEN	<i>Chairman of the Board and President</i>
IRVING COHEN	<i>Vice-President</i>
JAMES W. CONNORS	<i>Vice-President</i>
SYLVAN N. KING	<i>Vice-President</i>
IRVING MOSELOWITZ	<i>Vice-President</i>
LOUIS A. GOOD	<i>Vice-President</i>
MAURIE SANGER	<i>Vice-President</i>
LOUIS B. BERMAN	<i>Vice-President</i>
WILLIAM B. LOFTUS	<i>Vice-President</i>
ELLIS H. SCHECHTMAN	<i>Secretary and Treasurer</i>
CARL F. KLEMENGER	<i>Assistant Secretary</i>

BOARD OF DIRECTORS

BARNEY RUBEN	ELLIS H. SCHECHTMAN
IRVING COHEN	MAURIE SANGER
JAMES W. CONNORS	JOSEPH KLINGENSTEIN
SYLVAN N. KING	HUGO SONNENSCHN
IRVING MOSELOWITZ	LOUIS A. GOOD

TRANSFER AGENT

BANK OF THE MANHATTAN COMPANY
40 Wall Street • New York 5, N. Y.

REGISTRAR

BANKERS TRUST COMPANY
46 Wall Street • New York 5, N. Y.

This report to stockholders is published solely for the purpose of providing information. It is not part of the proxy soliciting material being sent to stockholders, and is not to be used as such; nor is it a representation, prospectus or circular in respect of any stock or security of any corporation and is not transmitted in connection with any sale, negotiation for the sale, or offer to sell or buy, or to induce the purchase, of any stock or security.

BOND STORES, INCORPORATED

FIFTH AVENUE AT 35TH STREET
NEW YORK 1, N. Y.

March 27, 1953

Dear Stockholder:

The year 1952 ended on a very encouraging note. Sales for the month of December were \$13,059,891.84 compared with \$10,848,903.44 for the same month of 1951; — an increase of 20.4%. Sales for the entire year of 1952 were \$82,763,399.37 compared with \$78,749,729.50 for the year 1951, reflecting an increase of 5.1%.

Despite higher volume, operations for 1952 proved less profitable than those in the previous year. Net income for the year was \$3,065,754.28, after setting aside \$2,973,000.00 for Federal Income taxes, and this compared with net income of \$3,378,009.02 and \$3,406,000.00 for Federal Income taxes in the preceding year.

Earnings amounted to \$1.82 per share on 1,688,383 shares of common stock outstanding at the year end. This compared with earnings of \$2.00 on the same number of shares last year. During the year, \$1,688,383.00 was paid in cash dividends to stockholders, and the balance of earnings was added to surplus. Book value per share on common stock was \$26.51. Such book value on December 31, 1951, was \$25.69. The parent company continues to have no bank debt and no funded debt, and has no present intention of borrowing.

Contributing toward this result was the fact that during the year consumer demand was, in the main, for lower priced goods. This condition forced suppliers as well as distributors to sell high cost 1951 inventory at lower than normal markup in order to attract additional customers under these conditions. Your Company thought it prudent and advisable not to permit its competition to undersell it, and therefore undertook several large legitimate promotions in order to retain customer good will. Volume results for 1952 compared with 1951 reflect the wisdom of such decision.

As a result of such promotions, your Company was enabled to reduce its inventory substantially at the year end. Reference to the Consolidated Balance Sheet as of December 31, 1952, indicates an inventory of woolsens, trimmings, etc., work in process and finished goods totalling \$18,464,272 as compared with \$21,780,450 at the end of the preceding year, reflecting a substantial improvement in ratio of inventory to sales for the year as compared with the preceding year. Necessary additional inventory is currently being replaced at less than the original cost and at the same time creating additional work for our factory employees. Because of our current low clothing inventory, our factory employees have been working full time and it is now anticipated that such a work schedule can be continued throughout the year.

Your management feels that, except for the possibility of unforeseen happenings in this country, it can look forward to good performance in 1953 because of its current low cost, well balanced inventory priced to attract greater consumer buying.

During 1952, 4 new stores were opened, to bring the total in operation at the year end to 84. These are Springfield, Illinois; San Jose and Lakewood Center in California; and Fort Worth, Texas. Your Company operated a store in Fort Worth, Texas, for a number of years up to 1945, at which time it was closed as a result of fire. Your Company also opened a new, larger and better located store in Jersey City, New Jersey, simultaneously with the closing of our old store in that city. Based on the results of the opening and performance to date, it is anticipated that the operations of these stores will produce satisfactory volume.

In addition to the new stores above referred to, 4 existing stores of your Company were modernized during the year. These are Lorain, Ohio; Memphis, Tennessee; Kansas City, Missouri; and Louisville, Kentucky. The capital outlay for improvements in connection with the opening of the new stores as well as the modernization of existing stores, was

substantially undertaken by the respective property owners — the Company's outlay being limited to its investment for its own trade fixtures.

You were heretofore advised that your Company had filed claims under Section 722 of the Internal Revenue Code for a refund of excess profits taxes for the years 1940 to 1945, inclusive. Upon the considered advice of legal and accounting counsel, such claims have been settled for \$872,739.81 plus interest. We have received to date settlement for the years 1940, 1941 and 1942, of which \$342,098.29 is principal and \$75,029.56 interest, which items are reflected in the accompanying Financial Statements. The balance of such settlement for the years 1943, 1944 and 1945 is awaiting final computation and approval.

The possibilities for your Company to transact a larger volume of business from which profits ultimately are derived, are good—not only because of the favorable current inventory and financial position but also because management feels that the proposed Employees' Profit Sharing and Retirement Fund plan, presently under consideration, has created great interest among many employees, especially the store managers. This should bring forth greater effort and initiative. Under the proposed profit sharing plan such personnel will be permitted participation in the fruits of the success of your Company's business.

It is a well recognized fact that today the retention of good, loyal and efficient personnel in management capacity is an increasingly serious problem. Current tax regulations and other economic factors make it difficult for such personnel to earn sufficient income out of which to save funds for their future. Therefore, stockholders will be asked to take favorable action upon a proposal to authorize management to institute an Employees' Profit Sharing and Retirement Fund plan, as more fully set forth in the accompanying Proxy Statement.

In this connection, may I call your attention to the fact that stockholders have heretofore authorized a plan for the granting of options for shares of stock to certain of the Company's key personnel. No options have been granted to date. Your management deemed it inadvisable to do so for various reasons. Among them was the consideration that the entire cost of distribution would actually be borne by stockholders, since dividends on Company stock are paid out of net earnings after taxes. In addition, under the proposed profit sharing plan the Company will be enabled to make larger contributions to a fund at no greater cost to the stockholders than would be required under the stock option plan without dilution of the outstanding stock. Finally, and probably most important, was the consideration that greater incentives are provided employees by the proposed Employees' Profit Sharing and Retirement Fund plan.

As set forth in the notice of annual meeting of accompanying Proxy Statement, stockholders will be requested to ratify the actions of the Board of Directors in abandoning the stock option plan and directing the officers of the Company to take no further steps with respect thereto. In addition, the stockholders will be requested to ratify the action of the Board of Directors in adopting the new Employees' Profit Sharing and Retirement Fund plan. It is intended that the abandonment of the stock option plan shall become effective only after authorization by the stockholders of the Employees' Profit Sharing and Retirement Fund plan and its approval by the necessary Governmental agencies. Your attention is directed to the accompanying Proxy Statement for further explanation with reference to both of such proposals.

In closing this report, our appreciation is expressed to our stockholders for their confidence, to our customers for their patronage, to our suppliers of raw materials and finished products for their cooperation, and to our employees for their efforts during the year 1952.

In looking ahead, your Company will approach the future with optimism and confidence in its ability to make 1953 an outstanding year.

Respectfully submitted,

Barney Ruben

President

BOND STORES, INCORPORATED AND
CONSOLIDATED BALANCE SHEET

ASSETS

Current Assets:

Cash on hand and in banks			\$7,175,813.34
Accounts receivable—customers	\$15,525,760.39		
Less: Reserve for doubtful accounts	386,214.93		15,139,545.46
			<hr/>
Miscellaneous accounts receivable			170,363.90
Merchandise inventories—Note A:			
Woolens, trimmings, etc.	2,272,181.32		
Work in process	1,390,373.98		
Finished goods	14,801,717.65		18,464,272.95
			<hr/>
Total Current Assets			40,949,995.65

Miscellaneous Other Assets			228,454.04
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Fixed Assets—at cost—Note B:

Land and buildings	\$16,314,154.29		
Less: Reserves for depreciation	2,490,053.20	13,824,101.09	
			<hr/>
Machinery, furniture, fixtures and equipment	5,867,049.01		
Less: Reserves for depreciation	2,369,018.61	3,498,030.40	
			<hr/>
Alterations, improvements and leaseholds	6,277,360.54		
Less: Reserves for amortization	1,781,774.05	4,495,586.49	21,817,717.98
			<hr/>

Deferred Charges:

Prepaid rent and advances to landlords on improvements to leased properties	1,400,601.71		
Unexpired insurance and other prepaid expenses	502,138.07		1,902,739.78
			<hr/>
			\$64,898,907.45
			<hr/>

The Notes to Financial Statements are an integral part of this

D WHOLLY-OWNED SUBSIDIARIES

AS AT DECEMBER 31, 1952

LIABILITIES

Current Liabilities:

Accounts payable		\$1,243,522.86
Deposits, due to customers, etc.		729,581.52
Accrued salaries, taxes other than Federal taxes on income, expenses, etc.		3,016,820.68
Reserve for Federal taxes on income—Note C		2,994,487.33
Mortgages and mortgage bonds payable—current installments—Note B		365,471.63
Total Current Liabilities		<u>8,349,884.02</u>

Mortgages and Mortgage Bonds Payable by Subsidiaries—Note B . \$12,152,173.23

Less: Current installments shown above 365,471.63 11,786,701.60

Capital Stock and Surplus:

Preferred Stock—
par value \$100.00 per share:Authorized to be issued in
series as designated by
the Board of Directors 100,000

Retired and cancelled . . . 60,000

Authorized—but not
designated . . . 40,000Common Stock—
par value \$1.00 per share:

Authorized . . . 2,500,000

Issued and outstanding . . 1,688,383 1,688,383.00

Capital Surplus (no change
during the year) \$11,596,135.77

Earned Surplus—Exhibit B 31,477,803.06 43,073,938.83 44,762,321.83

\$64,898,907.45

s statement and should be read in conjunction herewith.

BOND STORES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME AND EARNED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 1952

Sales		\$82,763,399.37
Cost of goods sold and stores and general and administrative expenses, exclusive of depreciation and amortization		76,312,240.56
		<u>6,451,158.81</u>
Add:		
Income from owned real estate before depreciation—Note D	\$300,302.68	
Refunds received of Federal excess profits taxes under Section 722 of the Internal Revenue Code, including interest thereon of \$75,029.56—Note C	417,127.85	
Other income	176,485.94	893,916.47
		<u>7,345,075.28</u>
Deduct:		
Depreciation and amortization		1,306,321.00
Net income before Federal taxes on income		6,038,754.28
Provision for Federal taxes on income—Note C		2,973,000.00
Net income		3,065,754.28
Earned Surplus as at December 31, 1951		30,100,431.78
		<u>33,166,186.06</u>
Dividends on Common Stock		1,688,383.00
Earned Surplus as at December 31, 1952—Exhibit A		<u>\$31,477,803.06</u>

The Notes to Financial Statements are an integral part of
this statement and should be read in conjunction herewith.

BOND STORES, INCORPORATED
AND WHOLLY-OWNED SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
AS AT DECEMBER 31, 1952

- NOTE A: Merchandise inventories are stated at or below the lower of cost (prime cost as to goods manufactured by the Corporation, retail inventory method as to furnishings and invoice cost as to other merchandise, substantially on the "first-in, first-out" basis) or replacement market. These methods for pricing the merchandise inventories are consistent with the practice of prior years.
- NOTE B: Land in the amount of \$5,806,965.27 and buildings in the amount of \$10,507,189.02, totaling \$16,314,154.29, are comprised principally of property located at 45th Street and Broadway, New York City, owned by Adda, Inc., a wholly-owned subsidiary; properties in Rochester, New York, including the factories owned by Style Manor, Inc., a wholly-owned subsidiary; property located in Chicago, Illinois, owned by Stajac, Inc., a wholly-owned subsidiary; a factory in New Brunswick, New Jersey; and the shirt factories, owned by wholly-owned subsidiaries. The property owned by Adda, Inc., a wholly-owned subsidiary, is subject to a first mortgage in the amount of \$3,032,147.61, payable in quarterly installments to December 13, 1959. The property located in Chicago, Illinois, owned by Stajac, Inc., a wholly-owned subsidiary, is subject to a first mortgage in the amount of \$3,134,000.00, payable in quarterly installments to December 17, 1967. The factories located in Rochester, New York, owned by Style Manor, Inc., a wholly-owned subsidiary, are subject to a first mortgage in the amount of \$5,803,000.00, payable in quarterly installments to December 15, 1968. The property located in Syracuse, New York, owned by Syrabond Realty Corporation, a wholly-owned subsidiary, is subject to a first mortgage in the amount of \$183,025.62, payable in monthly installments to July 1, 1964. At each of the said dates the unamortized balance of the respective mortgage becomes due and payable. The Corporation is not liable under any of such mortgages, being in each case a lessee of the property, or a substantial part thereof, under a long-term lease; such leases are assigned as security under the mortgages, respectively.
- NOTE C: The Federal income and excess profits tax returns of the Corporation have been examined up to and including the year ended December 31, 1949 and all assessments have been paid or provided for. Of the Corporation's claims for refund of excess profits taxes for the years 1940 to 1945, inclusive, filed under Section 722 of the Internal Revenue Code, refunds of \$342,098.29 were received in 1952 for the years 1940, 1941 and 1942 and are shown on the accompanying statement of income and earned surplus. No effect has been given to the claims for 1943, 1944 and 1945, as to which settlement is pending. The accompanying financial statements are subject to final determination of Federal, state and local taxes.
- NOTE D: This item includes inter-company rental on property partly occupied by the parent company.
- GENERAL: The stockholders at their meeting on April 10, 1951 approved a proposal authorizing the Board of Directors to grant options to officers, executives and key employees of the Corporation and its subsidiaries to purchase an aggregate of not exceeding 300,000 shares of Common Stock of the Corporation at a price representing 85% of the fair market value at the time the option is granted. No options have been granted under this authorization. Further, the Board of Directors on February 16, 1953 acted, subject to ratification by stockholders, to abandon said stock option plan conditional upon the ratification by the stockholders and the approval by the Treasury Department of the Employees' Profit Sharing and Retirement Fund Plan adopted on said date by the Board of Directors. Service charges to customers, which in previous years were included in other income, have been classified in the current year as a reduction of stores expenses. As at December 31, 1952, the aggregate minimum annual rental upon real property leases, other than inter-company leases, expiring after December 31, 1955 amounted to approximately \$1,833,000.00. Certain of these lease agreements provide for additional rentals based on sales or for payment of certain expenses, such as real estate taxes and maintenance costs.

ACCOUNTANTS' REPORT

To the Board of Directors,
BOND STORES, INCORPORATED,
New York, N. Y.

We have examined the consolidated balance sheet of Bond Stores, Incorporated and wholly-owned subsidiaries as at December 31, 1952 and the related consolidated statement of income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statement of income and earned surplus, together with the notes to financial statements, present fairly the consolidated financial position of Bond Stores, Incorporated and wholly-owned subsidiaries at December 31, 1952, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New York, N. Y.
March 21, 1953

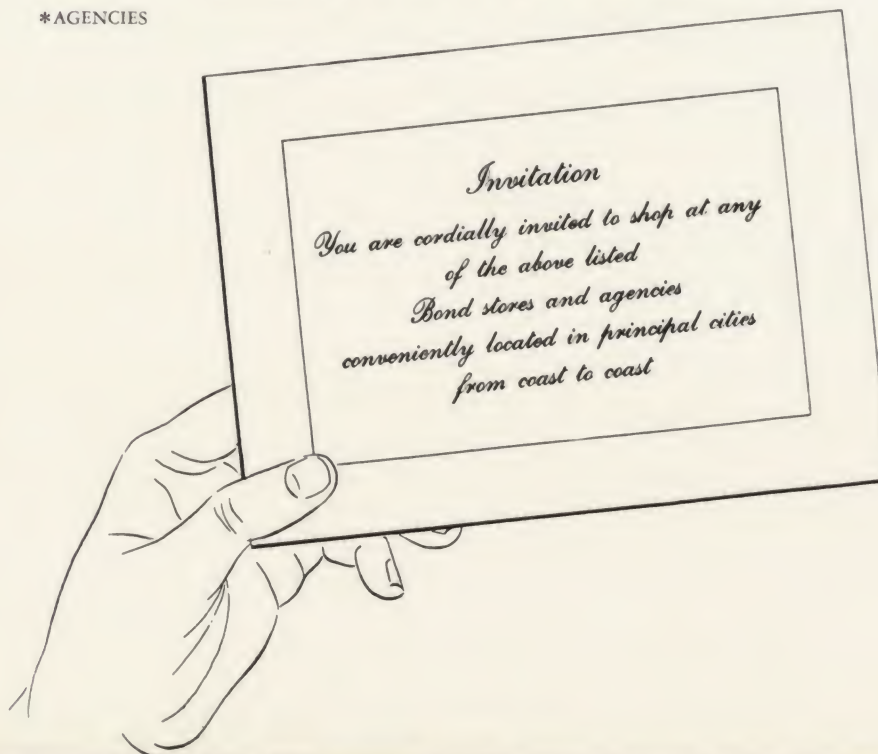
S. D. LEIDESDORF & CO.

BOND STORES AND AGENCIES ARE LOCATED IN THE FOLLOWING CITIES

AKRON, OHIO	GLENDAL, CALIF.	OKLAHOMA CITY, OKLA.
ALBANY, N. Y.	HARRISBURG, PA.	OMAHA, NEB.
ALTON, ILL.	HARTFORD, CONN.	PATERSON, N. J.
*ASBURY PARK, N. J.	*HAZLETON, PA.	*PENSACOLA, FLA.
ATLANTA, GA.	HOLLYWOOD, CALIF.	PHILADELPHIA, PA.
BALTIMORE, MD.	HOUSTON, TEXAS	PITTSBURGH, PA.
BIRMINGHAM, ALA.	HUNTINGTON PARK, CALIF.	*POTTSTOWN, PA.
BOSTON, MASS.	*JACKSONVILLE, FLA.	PROVIDENCE, R. I.
BUFFALO, N. Y.	JERSEY CITY, N. J.	READING, PA.
*BUTLER, PA.	KANKAKEE, ILL.	*RED BANK, N. J.
CHICAGO, ILL.	KANSAS CITY, MO.	ROCHESTER, N. Y.
(8 stores)	LAKEWOOD CENTER, CALIF.	(2 stores)
CINCINNATI, OHIO	LINCOLN, NEB.	SAN FRANCISCO, CALIF.
CLAYTON, MO.	LORAIN, OHIO	SAN JOSE, CALIF.
CLEVELAND, OHIO	LOS ANGELES, CALIF.	SAVANNAH, GA.
COLUMBUS, OHIO	(3 stores)	SCHENECTADY, N. Y.
*CORPUS CHRISTI, TEXAS	LOUISVILLE, KY.	SCRANTON, PA.
DALLAS, TEXAS	*LYNCHBURG, VA.	SPRINGFIELD, ILL.
DAYTON, OHIO	*MANCHESTER, N. H.	SPRINGFIELD, MASS.
DES MOINES, IOWA	MEMPHIS, TENN.	ST. LOUIS, MO.
DETROIT, MICH.	MILWAUKEE, WISC.	SYRACUSE, N. Y.
(2 stores)	MUSKEGON, MICH.	TOLEDO, OHIO
*EASTON, PA.	NEWARK, N. J.	*TORRINGTON, CONN.
*ELMIRA, N. Y.	NEW BRUNSWICK, N. J.	TRENTON, N. J.
FALL RIVER, MASS.	NEW HAVEN, CONN.	*UPPER DARBY, PA.
FLINT, MICH.	NEW YORK, N. Y.	WASHINGTON, D. C.
FORT WORTH, TEXAS	(9 stores)	*WICHITA FALLS, TEX.
FRESNO, CALIF.	OAKLAND, CALIF.	WILKES-BARRE, PA.
GERMANTOWN, PA.		YOUNGSTOWN, OHIO

Factories in Rochester, N. Y. and New Brunswick, N. J.

*AGENCIES



BOND CLOTHES

WORN BY MORE MEN AND WOMEN

THAN ANY OTHER CLOTHES

IN AMERICA

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...
...
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